economic purposes, constitutes a single community and has a boundary contiguous with that of the city. Such community may be incorporated or unincorporated to extend from the contiguous boundaries to recognizable open country, less densely settled areas, or natural boundaries such as forests or water. Minor open spaces such as airports, industrial sites, recreational facilities, or public parks shall be disregarded. Outer boundaries of an incorporated community extend at least to its legal boundaries. Cities which may have a contiguous border with another city, but are located across a river from such city, are recognized as a separate community.

Urbanizing area—A community with a population density of more than 100 persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States, which is not now, or within the foreseeable future not likely to be, clearly separate from and independent of a city of 50,000 or more population and its immediately adjacent urbanized areas. A community is considered "separate" when it is separated from the city and its immediately adjacent urbanized area by open country, less densely settled areas, or natural barriers such as forests or water. Minor open spaces such as airports, industrial sites, recreational facilities, or public parks shall not be considered as an area to determine if a community is separate. A community is considered "independent" when its social (e.g., government, educational, health, and recreational facilities) and economic structure (e.g., business, industry, tax base, and employment opportunities) are not primarily dependent on the city and its immediately adjacent urbanized areas.

§ 4284.505 Applicant eligibility.

- (a) Grants may be made to nonprofit corporations and institutions of higher education. Grants may not be made to public bodies.
- (b) An outstanding judgment obtained against an applicant by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive

any grant or loan until the judgment is paid in full or otherwise satisfied. RBS grant funds may not be used to satisfy the judgment.

§§ 4284.506-4284.514 [Reserved]

§4284.515 Grant purposes.

Grant funds may be used to pay up to 75 percent of the costs for carrying out relevant projects. Applicant's contribution may be in cash or in-kind contribution in accordance with parts 3015 and 3019 of this title and must be from nonfederal funds except that a loan from another federal source can be used for the applicant's contribution. Grant funds may be used for, but are not limited to, the following purposes:

- (a) Applied research, feasibility, environmental and other studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center for the purpose of cooperative development.
- (b) Collection, interpretation, and dissemination of principles, facts, technical knowledge, or other information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center for the purpose of cooperative development.
- (c) Providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center for the purpose of cooperative development.
- (d) Providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center for the purpose of cooperative development in accordance with this subpart.
- (e) Providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center for the purpose of cooperative development.

§ 4284.516 Ineligible grant purposes.

Grant funds may not be used to:

(a) Pay more than 75 percent of relevant project or administrative costs;